

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Lorraine Post Office
Lorraine, New York 13659

Docket No. A2011-101

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 23, 2011)

The Postal Regulatory Commission ("Commission") received 39 standard form letters from customers of the Lorraine, NY Post Office objecting to the discontinuance of the Post Office at Lorraine. On October 4, 2011, the Commission issued Order No. 894, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Of those standard form letters received, Bilkey Moore and Susan and Dean Paine ("Petitioners") filed Participant Statements in support of their petitions. Also on May 9, 2011, the Commission received correspondence from Congressional Representative Bill Owens. In accordance with Order No. 894, the administrative record was filed with the Commission on October 14, 2011.

The correspondence and the Participant Statement received by the Commission raise main three issues: (1) the impact on the provision of postal services, (2) the impact upon the Lorraine community, and (3) the calculation of economic savings expected to result from discontinuing the Lorraine Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and

Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Lorraine Post Office should be affirmed.

Background

The Final Determination To Close the Lorraine Post Office and Continue to Provide Service by Rural Route Service (“Final Determination” or “FD”)², as well as the administrative record, indicate that the Lorraine Post Office provides EAS-11 level service to no carrier delivery customers, to 72 Post Office Box customers, and to retail customers. Workload amounts to 8 minutes of retail work daily, 48 minutes per week.³ The Postmaster of the Lorraine Post Office retired on October 15, 2006.⁴ The position has been vacant since that date. Since the postmaster vacancy arose, an officer-in-charge (“OIC”) was installed to operate the office. The noncareer postmaster relief

¹ See 39 U.S.C. 404(d)(2)(A).

² The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to “FD at X,” indicating the page number of the citation, rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as “Item XX.”

³ FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1; Item No. 41, Proposal to Close the Lorraine, NY Post Office and Continue to Provide Service by Rural Route Service (“Proposal”), at 2; Proposal to Close the Lorraine, NY Post Office and Continue to Provide Service by Rural Route Service (Revised) (“Revised Proposal”), at 2.

⁴ Petitioners further contend that the factors considered for the Lorraine Post Office were not valid because the Postmaster position was left vacant by the Postal Service while other positions were filled. Under regulations in Handbook PO-101 in effect at the time the discontinuance was commenced, it was common to initiate a study when the postmaster position became vacant. See former Handbook PO-101 § 213. The Postal Service further notes that changes made to Handbook PO-101 effective July 14, 2011, promote consistency of decision-making by allowing for the identification of candidate facilities for study based on factors such as workload, customer demand, and availability of alternatives. Moreover, in the context of Title 39, U.S. Code, and applicable regulations, the Postal Service is not required to evaluate and reject alternative proposals or compare one Post Office to another. The Postal Service, in accordance with its statutory obligations, is obligated to execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, after the retirement of the Postmaster, the Postal Service analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

(“PMR”) serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁵ The average number of daily retail window transactions at the Lorraine Post Office is 8 transactions, accounting for 8 minutes of workload daily. Revenue has fluctuated, however, there has been a downward trend: \$ 16,328 in FY 2008 (43 revenue units); \$ 15,275 in FY 2009 (40 revenue units); and \$ 15,988 (42 revenue units) in FY 2010.⁶

Upon implementation of the Final Determination, delivery, and retail services, and rural route delivery will be provided by the Adams Post Office, an EAS-18 level office located 7 miles away, which has 87 available Post Office Boxes.⁷ This service will continue upon implementation of the Final Determination.⁸ Rural service will be provided to cluster box units (“CBUs”), free-standing units of individually locked mail compartments installed and maintained by the Postal Service at no cost to the customer. A parcel locker may also be installed for convenient parcel delivery for customers.⁹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Lorraine Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final

⁵ FD at 7; Item No. 21, Letter to Postal Customer from Manager, Post Office Operations (“Letter to Customer”), at 1; Item No. 33, Proposal, at 7; Item No. , Revised Proposal, at 8.

⁶ FD, at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

⁷ FD at 2; Item No.18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

⁸ FD at 1; Item No. 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

⁹ FD at 6; Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6.

Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Lorraine Post Office. Questionnaires were also available over the counter for retail customers at the Lorraine Post Office.¹⁰ A letter from the Manager of Post Office Operations, Albany, NY was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Lorraine Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Adams Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.¹¹ Seventy-four customers returned questionnaires, and the Postal Service responded.¹² In addition, representatives from the Postal Service were available at the Lorraine United Methodist Church for a community meeting on April 27, 2011 to answer questions and provide information to customers.¹³ Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Lorraine Post Office and the Adams Post Office for 60 days beginning May 6, 2011.¹⁴ The Final Determination was posted at the same two Post Offices starting on August 23, 2011, as

¹⁰ FD at 2; Item No. 21, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at the Lorraine Post Office, at 1.

¹¹ Item No. 21, Letter to Customer, at 1

¹² Item No. 22, Returned customer questionnaires and Postal Service response letters.

¹³ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹⁴ FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item 47.

In light of the postmaster vacancy; a minimal workload; low and generally decreasing office revenue;¹⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service);¹⁶ low projected population, residential, commercial, or business growth in the area;¹⁷ minimal impact upon the community; and the expected financial savings,¹⁸ the Postal Service issued the Final Determination.¹⁹ Regular and effective postal services will continue to be provided to the Lorraine community in a cost-effective manner upon implementation of the Final Determination.²⁰

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Lorraine Post Office on postal services provided to Lorraine customers. The closing is premised upon providing regular and effective postal services to Lorraine customers.

The Petitioners, in their letters of appeal and Participant Statements, raise a variety of issues, including the issue of the effect on postal services of the Lorraine Post

¹⁵ See note 5 and accompanying text.

¹⁶ FD at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹⁷ FD at 6; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6.

¹⁸ FD at 6, 7; Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist; Item No. 33, Proposal, at 6, 7; Item No. 41, Revised Proposal, at 6, 7.

¹⁹ FD at 6, 7.

²⁰ FD at 2.

Office's closing. Petitioners note the convenience of the Lorraine Post Office and request its retention.

Petitioners also contend that service through the Adams Post Office will not provide the maximum degree of effective postal services because (1) rural carriers can only provide minimal services and online services and services through cellular networks are not available to some customers; (2) customers are often unavailable (or, in the case of senior citizens or disabled customers, unable) to meet rural carriers at the CBUs; (3) items to be shipped do not fit into roadside boxes; (4) customers should not have to travel seven miles to Adams to obtain services; (5) there is a policy against eliminating a Post Office when reducing services or taking other cost savings measures could make the Post Office self-sustaining; and (6) rural route service is not secure against theft or exposure to adverse weather conditions. Each of these concerns was considered by the Postal Service.

The Postal Service has considered the impact of closing the Lorraine Post Office upon the provision of postal services to Lorraine customers. FD at 2-6; Item No. 33, Proposal, at 2-6; Item No. 41, Revised Proposal, at 2-6. Rural route delivery to CBUs installed on the carrier's line of travel provides similar access to many retail services, alleviating the need to travel to the Post Office. FD at 4-5; Item No. 23, Customer Questionnaire Analysis, at 1-3; Item No. 33, Proposal, at 3-4, Item No. 41, Revised Proposal, at 3-4.

As explained throughout the administrative record, carriers can perform many functions (simultaneously with the delivery of mail) that will prevent any need to go to a

Post Office for most transactions. Carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or cluster box units. Carrier service will also benefit those customers who cannot access online services because of slow dial-up connections and those who do not have access to cellular service. FD at 4-5; Item 21, Returned Optional Comment Forms and USPS Response letters, at 159, 160, 168, 171, 175, 184, 194, 197, 203, 204, 214, 221, 229, 230; Item No. 33, Proposal, at 3-5, Item No. 41, Revised Proposal, at 3-5. Moreover, customers do not have to make a special trip to the Post Office for service. Most transactions do not require meeting the carrier at the mailbox. FD at 4-5; Item 21, Returned Optional Comment Forms and USPS Response letters, at 159, 160, 168, 171, 175, 184, 194, 197, 203, 204, 214, 221, 229, 230; Item No. 33, Proposal, at 3-5, Item No. 41, Revised Proposal, at 3-5. In addition, special provisions are made, on request, for hardship cases or special customer needs. FD at 5; Item No. 33, Proposal, at 5, Item No. 41, Revised Proposal, at 5.

Additionally, the Postal Service explained that it offers several convenient options that can save customers a trip to the Post Office and having to interact with a carrier for most postal transactions. FD at 4-5; Item No. 33, Proposal, at 3-4, Item No. 41, Revised Proposal, at 3-4. Stamps by Mail and Money Order Application forms are available for customer convenience. Both of these options are available regardless of a customer's ability to access internet or cellular service. FD, at 4; Item No. 33, Proposal, at 3-4, Item No. 41, Revised Proposal, at 3-4.

As explained throughout the administrative record, should a customer wish to avail him or herself of window service, the Adams Post Office is located 7 miles away from the current location of the Lorraine Post Office. Some concern was raised by Petitioners about the distance being over 8 miles. Petitioners allege that there is a law or regulation in force stipulating that postal customers need not travel more than 8 miles to a Post Office. The Adams Post Office is only 7 miles away. However, Petitioners cite no authority for this proposition, and the Postal Service is unaware of any such restriction. There is nothing in the applicable authorities (39 U.S.C. § 404(d), 39 C.F.R. § 241.3, or the Handbook PO-101) to that effect.

Petitioners also allege that the Lorraine Post Office should not be closed because a reduction in services or other measures could make the Lorraine Post Office self-sustaining. Petitioners cite no authority for this proposition, and the Postal Service is unaware of any such restriction. There is nothing in the applicable authorities (39 U.S.C. § 404(d), 39 C.F.R. § 241.3, or the Handbook PO-101) to that effect. The Postal Service has looked at other opportunities, as reflected in the Administrative Record, and has concluded that rural carrier service is more cost-effective than maintaining the Lorraine Post Office.

The Postal Service also addressed customer concerns about heightened potential for theft of outgoing or incoming mail when switching to carrier delivery. FD at 4-5.; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 162, 223, 230; Item No. 23, Customer Questionnaire Analysis, at 1-2; Item No. 33, Proposal, at 3-4; Item No. 41, Revised Proposal, at 3-5. The Postal Service

explained that it can provide rural route services to CBUs – secure, free-standing units of individually locked mail compartments installed and maintained by the Postal Service with Postal Service-provided locks – rather than to regular rural boxes. In addition, customers may place locks on rural boxes and instruct carriers to provide warning when conducting financial transactions. FD at 4-5.; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 162, 223, 230; Item No. 23, Customer Questionnaire Analysis, at 1-2; Item No. 33, Proposal, at 3-4, 6; Item No. 41, Revised Proposal, at 3-6. This would address customers' safety concerns. The CBUs, parcel lockers (which are offered in conjunction with CBUs), and individual locks on rural boxes should resolve the security concerns that the customers raised.

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route delivery to CBUs or rural boxes. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Adams Post Office, which is located only 7 miles away. The window service hours of the Adams Post Office are from 08:30 to 13:00 and 14:00 to 17:00, Monday through Friday and 09:00 to 11:00 on Saturday. FD, at 2; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2. Furthermore, the special attention and assistance provided by the personnel at the Lorraine Post Office will be provided by personnel at the Adams Post Office and from the carrier. FD at 4; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. Thus, the Postal Service has properly concluded that all the Lorraine customers will continue to receive regular and

effective service via rural route delivery to either CBUs installed on the carrier's line of travel or rural boxes.

Thus, the Postal Service has considered the impact of closing the Lorraine Post Office upon the provision of postal services to customers.

Effect Upon the Lorraine Community

The Postal Service is obligated to consider the effect of its decision to close the Lorraine Post Office upon the Lorraine community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Lorraine is an unincorporated rural community located in Jefferson County. The community is administered politically by the Town of Lorraine. Police protection is provided by the Jefferson County Sheriff. Fire protection is provided by the Lorraine Volunteer Fire Department. FD at 6; Item No. 16, Community Survey Fact Sheet; Item No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 6. The questionnaires completed by Lorraine customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Lorraine must travel elsewhere for other supplies and services. See generally FD at 6; tem No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 6; Item No. 22, Returned customer questionnaires and Postal Service response letters.

Petitioners' appeal raises the issue of the effect of closing the Lorraine Office upon the Lorraine community. More specifically, Petitioners contend that the Lorraine Post Office, which has had a continuous presence in the town, plays an important role in the community by providing a place for a public bulletin board and community gatherings and by offering postal and nonpostal services to senior citizens and people with special needs. These issues were extensively considered by the Postal Service, as reflected in the administrative record. FD, at 6; Item No. 22, Returned customer questionnaires and Postal Service response letters at 59, 103, 152, 185, 206, 229; Item No. 23, Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 6; Item 38, Proposal comments and Postal Service response letters at 26; and Item 40, Analysis of comments.

The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The record makes clear that the Postal Service is addressing this concern through preservation of community identity by continuing the use of the Lorraine name and ZIP Code in addresses. FD at 6; Item No. 22, Returned customer questionnaires and Postal Service response letters at 59, 103, 152, 185, 206, 229; Item No. 23, Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 6; Item 38, Proposal comments and Postal Service response letters at 26; and Item 40, Analysis of comments.

Communities generally require regular and effective postal services and these will continue to be provided to the Lorraine community. While the Postal Service understands the important position it holds in local communities, as a local meeting place in addition to providing regular and effective postal services, the Postal Service is confident that the closing of the Lorraine Post Office will not adversely affect the Lorraine community. Customers will still receive regular and effective postal services through rural route delivery. Moreover, customers will still be able to meet at local churches and local residences. The Lorraine United Methodist Church served as a meeting place for residences when discussing the Lorraine Post Office closing and it can be used in the future for other community gatherings. FD at 2; tem No. 33, Proposal at 2; Item No. 41, Revised Proposal, at 2.

Petitioners also allege that in addition to losing a meeting place, the loss of the Lorraine Post Office will decrease property values and have a negative impact on businesses. The valuation of property is a complex calculation, of which a community's Post Office is only a small part. The Postal Service will still be providing the Lorraine community with effective and prompt postal service, despite the closing of the Lorraine Post Office. As a result, the effect on property values should be negligible. FD at 6; Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6. The effect on local businesses should also be negligible. As the record reflects, other than a tavern, there are no other businesses in the Lorraine community to be affected. Any potential effect on businesses that may come to the community is purely speculative. FD at 6; Item No. 33, Proposal, at 6; Item No. 41, Revised Proposal, at 6.

Petitioners also contend that the Postal Service is stripping rural America of its Post Offices and that there is a disparate impact in rural America and in the Lorraine community. The record explains, however, that Post Offices are reviewed on a case-by-case basis. FD at 2, 6, 7; Item No. 33, Proposal, at 2, 6, 7; Item No. 41, Revised Proposal, at 2, 6, 7. When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means. FD at 2, 6, 7; Item No. 33, Proposal, at 2, 6, 7; Item No. 41, Revised Proposal, at 2, 6, 7. This analysis is not limited to Post Offices. Retail units in urban areas are also considered for closure. In fact, the Postal Service is in the process of analyzing closing numerous urban facilities. See Docket No. N2011-1. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community while realizing an estimated cost savings of \$40,491 annually after discontinuation of the Lorraine Post Office. FD at 7; Item No. 33, Proposal, at 7; Item No. 41, Revised Proposal, at 7.

Petitioners also point out that the population of Lorraine is increasing to some degree. Rural carrier service is expected to be able to handle any future growth in the community. FD, at 6; Item No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 6. In addition, the Postal Service has concluded that nonpostal services provided by the Lorraine Post Office can be provided by the Adams Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 6; Item No. 22, Returned customer questionnaires and Postal Service

response letters; Item No. 23, Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal at 6; Item No. 41, Revised Proposal, at 6; Item 38, Proposal comments and Postal Service response letters; and Item 40, Analysis of comments.

Additionally, as already explained above in response to Petitioners' concerns about whether effective service will be provided to senior citizens and those needing additional assistance, the Postal Service considered the impact of the closing of the Post Office on those individuals. The Postal Service explained that services provided at the Lorraine Post Office will be available from the carrier. Carrier service is beneficial to many senior citizens and others because the carrier can provide delivery and retail service to roadside mailboxes or cluster box units. Customers do not have to make a special trip to the post office for service. Most transactions do not require meeting the carrier at the mailbox. Special provisions are made, on request, for hardship cases or special customer needs. Stamps by Mail and Money Order Application forms are available for customer convenience. FD, at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters; Item No. 23, Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal at 5; Item No. 41, Revised Proposal at 5; Item 38, Proposal comments and Postal Service response letters; and Item 40, Analysis of comments.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Lorraine Post Office on the community served by the Lorraine Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Lorraine Post Office and would still provide regular and effective service. Item No. 21, Letter to Postal Customer, at 1. The estimated annual savings associated with discontinuing the Lorraine Post Office are \$ 40,491. FD at 7; Item No. 33, Proposal, at 7; Item No. 41, Revised Proposal, at 8. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 7; Item No. 33, Proposal, at 7; Item No. 41, Revised Proposal, at 8.

Petitioners criticize the Postal Service for failing to account for costs borne by customers to travel to other Post Offices, of maintaining rural mailboxes during the winter months, and the “green” impact of having to travel additional distances for window service. Such costs are not, however, required to be included in the economic savings calculation. In this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings, as the pertinent statute requires that the “economic savings *to the Postal Service*” be factored in the savings calculation. See 39 USC 404(d)(2)(A)(iv) (emphasis supplied).

In their Participant Statement, Petitioners also challenge the FD on grounds that the small amount of savings that will be achieved by discontinuing the Lorraine Post Office. Petitioners state that the savings achieved by closing small rural Post Offices would only be less than one percent of the Postal Service's entire operational budget. While this may seem insignificant to Petitioners, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together with other initiatives.

The Petitioners' letter of appeal also suggests that the Postal Service consider other strategies rather than closing rural offices with small budgets. The Postal Service has broad experience with and has considered other options, but must recognize its obligation to maintain postal facilities in conformity with reasonable economies of postal operations while maintaining ready access to essential postal services. The Postal Service has considered all of the options listed by Petitioners, including reducing hours of operations, part-time window service, alternative work options for employees, and ending Saturday delivery, among other options. Several of these suggestions are pending before Congress. While Congress considers options for assisting the Postal Service in its proposed cost-cutting measures, the Postal Service is still obligated to act and is responsible for formulating a specific proposal and evaluating it in the context of Title 39, U.S. Code, and applicable regulations. In this case, the Postal Service has determined that carrier service, coupled with service at the Lorraine Post Office, is a

reasonable solution that will yield economic savings. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. In this case, the Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Petitioners also question the consistency of this discontinuance action with provisions in Title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." The Postal Service's view is that the "maximum degree" obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Postal Service determined that rural carrier service is more cost-effective than maintaining the Lorraine postal facility and postmaster position. FD at 2. The

Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on October 15, 2006. A noncareer employee was installed as the temporary officer-in-charge (OIC). The noncareer PMR serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be affected by this closing. FD at 2; Item No. 18, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Lorraine Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Lorraine Post Office on the provision of postal services and on the Lorraine community, as well as the economic savings that would result from the proposed closing, the effect

on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Lorraine customers. FD at 2. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Lorraine Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Lorraine Post Office be affirmed.

Respectfully submitted,

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